

## Message Text

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64

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 SS-15 NSC-10 DOTE-00

PA-03 PRS-01 USIA-12 RSR-01 /153 W

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R 241456 Z MAY 73

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 6283

INFO USMISSION OECD PARIS

USMISSION NATO BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

AMCONSUL ZAGREB

AMEMBASSY LONDON

LIMITED OFFICIAL USE BELGRADE 2293

E. O. 116 52: N/A

TAGS: EFIN, ETRA, YO

SUBJECT: EURODOLLAR LOAN FOR SERBIAN RAILWAY SYSTEM

REF: A) BELGRADE A-219 B) BELGRADE 0770

1. PRESS MAY 23 ANNOUNCED SIGNING IN LONDON MAY 22 OF \$21.5 MILLION EURODOLLAR LOAN TO BEOGRADSKA BANKA FOR USE IN MODERNIZING RIGHT- OF- WAY AND ROLLING STOCK OF SERBIAN RAILWAYS. CONSORTIUM OF 16 BANKS HEADED BY FIRST NATIONAL BANK OF CHICAGO AND INCLUDING U.S., JAPANESE, CANADIAN, BRITISH, FRENCH, SWISS AND ISRAELI BANKS SYNDICATED THE LOAN.

2. TERMS OF LOAN NOT ANNOUNCED, BUT POLITIKA REPORTS THAT TERMS OF REPAYMENT AND INTEREST WERE UNDER " MOST FAVORABLE CONDITIONS FOR SOME TIME PAST" FOR BANK CONSORTIUM.

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3. LOAN REPRESENTS FINANCING OF INITIAL PHASE OF COMPLETE MODERNIZATION OF SERBIAN RAILWAY SYSTEM' S ROLLING STOCK, SIGNALLING AND SWITCH CONTROL MECHANISMS, AND ITS COMPLETE ELECTRIFICATION. COST OF ENTIRE PROJECT IS ESTIMATED TO BE IN NEIGHBORHOOD OF \$350 MILLION AND WILL BE COMPLETED BY 1977. IBRD IS ALSO BEING ASKED TO PARTICIPATE IN FINANCING FURTHER MODERNIZATION AND ELECTRIFICATION STAGES.

4. COMMENT. THE FIRST NATIONAL BANK OF CHICAGO LOAN REPRESENTS THE FIFTH SYNDICATED EURODOLLAR LOAN TO YUGOSLAV BANKS IN 1973 KNOWN TO THE EMBASSY. THE PREVIOUS FOUR WERE A \$15 MILLION EURODOLLAR CREDIT FOR THE UNITED BANK OF CROATIA ( REF B) A \$5 MILLION 6- YEAR EURODOLLAR LOAN TO BEOGRADSKA BANKA PUT TOGETHER BY A SYNDICATE HEADED BY FIDELITY INTERNATIONAL BANK; A \$10 MILLION LOAN TO THE TITOGRAĐ INVESTMENT BANK ARRANGED BY LOEB, RHOADES AND AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION; AND A \$30 MILLION LOAN TO JUGOBANKA PROVIDED BY A SYNDICATE LED BY CITICORP. THE TOTAL OF \$81.5 MILLION IN EURO-DOLLAR CREDITS FOR YUGOSLAVIA IN THE FIRST FIVE MONTHS OF THIS YEAR MAY, HOWEVER, UNDERSTATE THE ACTUAL TOTAL VOLUME OF SUCH CREDITS ( REF A).

TOON

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ETRA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BELGRA02293  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 BELGRADE A-219, 73 BELGRADE 0770  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Aug-2001 by boyleja>; APPROVED <19-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**To:** EC BRUSSELS  
EUR  
GENEVA  
LONDON  
NATO BRUSSELS  
OECD PARIS  
SECSTATE WASHDC

ZAGREB

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005